



MIAMI BEACH

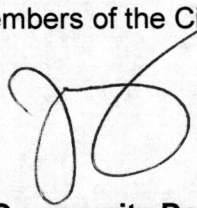
OFFICE OF THE CITY MANAGER

NO. LTC # **023-2012**

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LETTER TO COMMISSION
CITY CLERK'S OFFICE

TO: Mayor Matti Herrera Bower and Members of the City Commission

FROM: Jorge M. Gonzalez, City Manager 

DATE: January 24, 2012

SUBJECT: **HUD FY 2012/13 Allocations for Community Development Block Grant (CDBG) and HOME Investment Partnership**

This Letter to Commission is provided to inform you that the City's FY 2012/13 HUD entitlement allocations for CDBG and HOME were reduced by 42% and 55%, respectively, from last year's allocations. On January 17, 2012, the City received a letter from US HUD informing us of the FY 2012 allocations for the CDBG and HOME programs.


On November 18, 2011, the President signed the "Consolidated and Further Continuing Appropriations Act, 2012," which established HUD's budget for FY 2012. In addition, the "Redistribution Effect of Introducing 2010 Census and 2005-2009 American Community Survey Data into the CDBG Formula" had a major impact on the entitlement funding formula. According to a 127-page report prepared for the U.S. Department of Housing and Urban Development Office of Policy Development and Research, "Miami Beach and Miami-Dade County lose significant amounts of CDBG funding, mainly due to their decreasing shares of poverty and overcrowded units." According to the Report, poverty declined 41.6% and overcrowding declined 37.4% in our City.

The following table shows the recent history of CDBG and HOME allocations.

	2010	2011	2012	% Difference from 2011 to 2012
CDBG	\$1,877,485	\$1,572,412	\$909,737	-42%
HOME	\$1,254,418	\$1,101,411	\$490,403	-55%

The reduced allocations will mean significant decreases in expected formula funding levels for many City of Miami Beach grantees, including programs administered directly by the City of Miami Beach, and the City's ability to administer the overall programs. The reductions will make FY2012 a difficult period of adjustment for the City and its traditionally funded public service and affordable housing providers. The Administration will continue to maximize limited staff and financial resources to provide decent housing, a suitable living environment, and expanded economic opportunities to the residents of Miami Beach, as stated in the City's Five Year Consolidated Plan in compliance with the HUD national objectives for entitlement communities.

If you have any questions or need additional information, please do not hesitate to contact me.


JMG/HF/AP/BG